

Testimony of Alex Johnson
February 20, 2008
Senate Bill 336
Committee on Health, Human Services, Insurance, and Job Creation

Senator Erpenbach, committee members, my name is Alex Johnson. My mom, Deborah Johnson, works in the Registrar's Office at the University of Wisconsin – River Falls. We live outside of Stockholm, Wis., in Senator Vinehout's district. I am in the ninth grade at Pepin Area Schools, Pepin, and enrolled in the Wisconsin Covenant. I am here because the Group Insurance Board needs changing. West Central Wisconsin needs representation on this board.

Because of the changes made in the insurance offerings at UWRF, the fall of 2007 was a stressful, difficult time for my mom. I could tell each day she came home from a job she loves that things were not quite right. In November 2007, my mom's insurance choices changed. My mom & dad told Trey, my brother, and I that our life would change because of the added expense needed for our family health insurance. I asked her why she chose the plan she did. She told me she had no choice! She had to choose WPS insurance because they are the **only** one of her "choices" that could provide our family's doctors as in-network providers.

Why didn't she have a choice? Since my dad has a kidney transplant, and his Transplant Center is the University of Minnesota Hospital and Clinics. There is **No** other Transplant Centers in the state of Wisconsin within decent driving distance from our house in Pepin County. Why does my dad not go to the University of Wisconsin-Madison Hospital/Transplant Center? That Transplant Center is out of network under our insurance. The four hour distance factor would make it harder for my brother and me to

visit our dad if he was hospitalized in Madison, especially if my mom had to take us out of school.

I know my mom spent a lot of time on the phone talking with representatives from our health care providers about our health insurance issues. The advice they had for my mom; she has to have insurance coverage that has our doctors, especially my dad's, in-network, even with the added expense.

On top of having to choose a more expensive insurance plan, my parents also have to pay extra money for dental insurance and the additional cost of eye care exams, which were both covered under my mom's previous plan. That is an extra expense my parents have to deal with.

Because my mom is looking for a second job, my brother and I are very sad, as that would mean more time my mom is away from home. When I was younger, my mom had a different job where she worked weird hours and was hardly ever home. I do not want it to go back that way. I still need my mom, and my brother does, too!

My dad farms our family farm, so with the rising costs for everything, including insurance, extra money for fun just is not there. As my mom stated, we do **not** have a Nintendo, a PlayStation, cable/satellite TV or the Internet. Most kids my age take these things for granted. I do not!

Another reason why my mom had to choose the most costly insurance: Trey, who is nine, needs to stay with his doctor because change does not go over good with him because of his ADD. Believe me, I know.

My mom and dad told my brother and me about our insurance situation so we know not to ask for extras. Also, our family fun time will mean not going to exciting and

interesting places; including museums, state historic places, and state parks. The fun and educational things we like to do as a family. I have been so concerned about our financial situation that recently I did not tell my parents that I had been feeling ill for quite some time. I was afraid it was something really serious and that my family could not afford additional doctor bills. I finally told my mom so my dad took me to the doctor, and I am fine.

I **am only** fifteen, but I am intelligent enough to know that this change in our insurance costs will effect my family's well being for a long, **long** time. It already has.

We need representation on the Group Insurance Board in West Central Wisconsin to bring a greater awareness of the issues that the dedicated employees of the State of Wisconsin, like my mom, and their families face.

This law to change the Group Insurance Board is what Wisconsin needs.

Thank you for your time.

Testimony of Deborah Johnson
February 20, 2008
Senate Bill 336
Committee on Health, Human Services, Insurance, and Job Creation

Senator Erpenbach, committee members, my name is Deborah Johnson. I work in the Registrar's Office at the University of Wisconsin – River Falls and live outside of Stockholm, Wis., in Senator Vinehout's district. I am here because the Group Insurance Board needs changing. West Central Wisconsin needs representation on this board.

Because of the changes made in our insurance offerings at UWRF, I along with my family had to make major changes in our everyday lives. Since the changes in our insurance choices were made in November, my insurance cost has increased **186%**. That is not 1.86; it is one hundred and eighty-six percent! Why did I make such a major cost choice? I had no choice! As I will explain further, I had to choose WPS insurance, a Tier 3 provider, because they are the only one of our "choices" that could provide my family's doctors as in-network providers. So because of this major cost increase, to continue to help support my family, I am searching for a second job to pay for my insurance.

This is why we can not change our health care providers: My husband, Mark, has a kidney transplant, and his Transplant Center is the University of Minnesota Hospital and Clinics, about 30 miles from the University. There are **no** other Transplant Centers in the state of Wisconsin within reasonable driving distance from our residence in Stockholm, Pepin Township, in Pepin County. You may ask why he doesn't go to the University of Wisconsin-Madison Hospital/Transplant Center four hours from our home? Along with the distance issue, Madison is out-of-network for my area of the state! Out-of-network costs would financially ruin Mark and me for years to come.

The information about financially ruining us was relayed to me by a financial advisor at the University of Minnesota Hospital & Clinics. She told me that if I did not choose an insurance provider that had a Transplant Center as an in-network provider, we would be financially devastated. Basically, Mark and I would have to file Medical Bankruptcy every year for many, many years. But we do not want to do that. And again, Madison and Milwaukee are both out-of-network for us.

On top of having to choose a Tier 3 provider, I also have to pay additional costs for dental insurance, therefore, the 186% increase in my healthcare costs. Plus the additional cost of eye care exams; both of which were covered under our previous plan but not by WPS, the Tier 3 provider. All four of my family members need eyeglasses.

It took many, many hours on the phone talking to people at our health care providers to make the decision I did. At length, I talked with Mark's Transplant Coordinator at the University of Minnesota Hospital., a financial advisor at the U of MN Hosp., and with the insurance contract manager at the Mayo Clinic about our health insurance issues. They had very good advice and were sympathetic to our dilemma. But the advice was the same; I have to have insurance coverage that has my family's health care providers in-network! And now after all of this, my doctor has put me on high blood pressure medicine as my blood pressure has increased by 30 points, due to the stress of having to deal with these insurance issues and the costs and changes involved.

The very fact that I am looking for a second job makes my two boys very unhappy. They are very aware of the time Mom spends away from home, whether it is driving to and from work, or at work. Since I now need a second job, which I hope to get soon, just to pay for our health insurance, that means **much less** time for our evening and

weekend time together as a family. My two kids, who still need their mom, will not be able to spend time with their mom like they should and are used to.

Mark farms our family farm on a limited basis due to his on-going health issues. So with the rising costs for everything, be it gas, heating, electricity, medications, and now the major increase in our insurance, Mark and I have reviewed our budget a number of times: extra money just isn't there. We have cut back on non-necessities. But we don't have a lot either. My kids do not have a Nintendo or a PlayStation. We have a computer, but we do not have the Internet nor do we have cable/satellite TV. Those are just costs we can not afford, but things most families take for granted. We have made the choice of food and heat.

Another reason why a change in health care providers would be harmful to my family: My youngest son, Trey has Attention Deficit Disorder. Continuity of care is important with kids with ADD. Our family clinic is in Wabasha, Minnesota, a Mayo Health provider only 20 minutes from our home and 10 minutes from my children's school. The next closest doctor recommended by my son's current doctor is in Eau Claire, an hour's drive away.

We need representation on the Group Insurance Board in West Central Wisconsin to bring a greater awareness of the border state location issues that the dedicated employees of the State of Wisconsin and their families face.

This law to change the Group Insurance Board is what Wisconsin needs.

Thank you for your time.

Dr. James W. Stewart
Box 326
River Falls, WI 54022

February 17, 2008

Honorable Senator Sheila Harsdorf
10th Senate District

Regarding SB 336-Public Hearing February 20, 2008

Please consider this letter in strong support for Senate Bill 336 pending before the legislature. This is an example of bipartisan support necessary to ensure regional representation and regional input for the development of annual negotiations for insurance programs for the State of Wisconsin.

Last year's process resulted in a major change that impacted on our family and with many colleagues who up until that time had excellent coverage through the Humana/Preferred One network. Without any notification, we were told we had a very few days to change our coverage. The offer of coverage forced us to take the WPS plan with a set of restrictions that have placed my family into a health care dilemma. We now face restrictions on access, co-payments and loss of coverage (preventative eye and dental care) along with having to switch doctors and clinics or face new 20% co-payments if we keep our current providers that are "out of the WPS network."

After 15 years of excellent insurance, we are now looking at tough choices. I really don't mind WPS, however, with our area of the state I would want a WPS option for varying levels of care. Cost options so that my family and I can get the appropriate care, especially for the excellent care available to us in the Twin Cities area. We had only two choices: Humana with care in Eau Claire and no Minnesota coverage or WPS with restrictions. Humana may have chosen not to submit a bid after all of these years because costs for our area of the state were going up or more expensive because of access to the Twin Cities and the Mayo Clinic. I would have preferred to request them to bid with adjusted co-payments and premiums and let me choose the level of care and cost.

Finally, the Group Insurance Board and Agency Staff need to have a wider perspective from around the state so there will be less chance of the fiasco and lack of concern for regional needs that was exhibited during the 2006-2007 bidding process. This resulted in many health care crises for employees and in many cases, retirees as well.

Respectfully,

Dr. James W. Stewart



State Senator Sheila Harsdorf

February 20, 2008

To: Members of the Senate Committee on Health, Human Service, Insurance and Job Creation
From: Senator Sheila Harsdorf
Re: Testimony on Senate Bill 336 – Membership of the Group Insurance Board

Thank you, Chairman Erpenbach and Committee members, for holding a public hearing on Senate Bill 336 and providing me with an opportunity to testify in favor of this legislation.

The Group Insurance Board is the oversight body within the Department of Employee Trust Funds that administers insurance plans for state employees. The Board is currently composed of eleven members, six of which are appointed by the Governor to serve two-year terms. The appointed members must also meet certain requirements as set forth in statute that ensures representation among certain groups with an interest in the Wisconsin Retirement System.

Senate Bill 336 seeks to expand the Group Insurance Board from eleven members to thirteen, by adding two additional appointed members. Furthermore, Senate Bill 336 would require that the eight appointed members reside in each of the eight Congressional districts. This change seeks to enhance the Board by creating regional representation among its members.

This legislation is a means to provide state employees from all parts of Wisconsin with a voice on the Group Insurance Board. As you know, one of the responsibilities of the Board is to seek out bids to create a network of health care providers for state employees. By requiring regional representation on the Board, we can ensure that input from areas with unique characteristics or requirements will be heard.

When the health insurance plans for state employees in western Wisconsin border counties, such as Pierce, St. Croix and Polk, changed for 2008, there was a great deal of anxiety and uncertainty on the impact of the changes on families, including questions on which providers would be available and the cost for families to continue seeing their doctors that may no longer be included in a state plan. Providing regional representation would provide assurances to state employees that their input will be heard.

Thank you again for the opportunity to testify in support of SB 336. I urge your support and prompt action on moving this legislation forward for a vote before the full Senate and would be happy to answer any questions members may have.



Faculty Senate • http://www.uwrf.edu/faculty_senate/welcome.html

Senators: Chair - David Rainville, Vice Chair - David Furniss, Secretary - Kris Hiney, Executive Committee - Glen Potts, Ogden Rogers

Testimony of David P. Rainville
Chair, Faculty Senate
University of Wisconsin-River Falls

February 20, 2008

Senate Bill 336

Committee on Health, Human Services, Insurance, and Job Creation

Senator Ehrphenbach, and members of the Committee:

I come before this committee in support of Senate Bill 336

because of what I and many others consider to be a failing of the current structure of the Group Insurance Board. Last August the Administration of the University of Wisconsin-River Falls was informed by the Employee Trust Fund that for the 2008 calendar year, we would have access to Humana West at tier 1 rates in contrast to the tier 2 rates that it had been offered over the last several years. The notice informing us was not particularly informative, but it did indicate that there would be some changes in the plan. It also indicated that access to some Minnesota providers would be eliminated. It was not until later that we realized the extent of the elimination of Minnesota Providers. It was essentially no access of ~~an~~ any Minnesota Providers for any reason. We were told that the Preferred One Network would be abandoned and replaced with Premier One. The only problem was that this new network existed essentially in the planning stages and contracts were not even signed between Humana and the extremely limited number of providers with whom they had been in contact. Most of the providers in Western Wisconsin listed in the "Dual Choice" booklet that we received as an informational aid, had not signed contracts with Humana and were even unaware of any changes being made.

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Additionally, there were no Minnesota Providers. When we objected to this, we were told that there was excellent medical care available at the Marshfield Clinic. I honestly could not believe what I heard. It indicated a complete lack of knowledge about the geography of the State of Wisconsin. I can only believe that they had confused Black River Falls with River Falls. River Falls as you know is located essentially on the Wisconsin-Minnesota Border. Most of the economy of it is dependent on relationships with Minnesota. The same is true of the Medical Profession. Family practitioners in that area have relationships with medical specialists in the Twin Cities metropolitan area. Most of them are unaware of specialists even in Eau Claire, the closest (90 minutes away) Wisconsin metropolitan area.

When we had our health care insurance fair on campus, ETF would not send representatives to explain changes that had been made in their plan offering. They had always attended in the past.

We were left with little information to make choices affecting our health care. Twice, deadlines for choosing an insurance plan were extended as we waited to hear more about the radical changes that had been made to the plan which most of us belonged to. In the end, it was apparent that the changes were far worse than any of us could have possibly imagined. We were told that there were no Minnesota providers and there would be absolutely no referrals to any of them under any circumstances. We were told that the Premier One Network would expand in time and that it might possibly include some Minnesota Providers in the future.

Another provider at the Tier 2 level, Anthem, indicated that it was eliminating access to most Minnesota providers when it was made aware of the actions of Humana. The only other insurance provider that did have access to Minnesota Providers was the

Standard Plan with WPS. Oddly, that plan was available to non Wisconsin residents at tier 2 rates, but at tier 3 rates to Wisconsin residents. Regardless of the rate structure, access to Minnesota providers is extremely limited in the Standard Plan.

Ultimately, we all made difficult choices, with some staying with Humana West in the hope that the Premier One Network would expand, or praying that we would not get sick. Others decided to go with Anthem due to some very limited Minnesota access and the tier 2 rate. Others, particularly Minnesota residents, chose the Standard Plan as it did have some general access to Minnesota providers and the tier 2 rate structure for out of state residents.

These choices have caused most of us to change long standing relationships with our physicians. Some of those that have stayed with Humana and some who have switched to Anthem have already experienced unacceptable situations. There have been delays of weeks trying to get a referral to a specialist. Local Physicians have absolutely no idea whom to make the referrals to because they do not interact with Central Wisconsin. Patients have had to travel long distances to get medical attention. Many are still waiting. There have been additional costs experienced by patients and their families. The cost of traveling to Eau Claire is not negligible. If one has to stay overnight, there is lodging either for the patient or for the family if the patient is hospitalized. There is also the time away from work due to traveling. Many have had to use precious sick leave for something as simple as seeing an ophthalmologist for a fifteen minute appointment. This is also a cost to the State of Wisconsin as it the loss of one of its employees for the day. The burden of this travel to those suffering from chronic illnesses is unacceptable. Some do not even have the transportation.

I have numerous situations where approved providers have sent samples for test to labs in Minnesota, with the cost being refused, as these labs are not included in the plan. This is an additional cost to patients, who have little if any control over which laboratories physicians use.

One of the most disconcerting aspects of the situation that has occurred is the lack of continuity of care. It is my understanding that Badger Care which is provided to those on state assistance does guarantee continuity of care. We were not even given that option.

In my own personal experience, I changed from Humana West to the Standard Plan. I simply had no choice. I was hospitalized four times last year, having had minor surgery in June and major surgery in August. I am currently under the care of a physician that is not included in any of the plans. In fact, there is only one specialist in the area whose specialty is that which I require. I have not even tried to contact that specialist. I doubt that I could see him easily. I should also indicate that there are 37 physicians in the Twin Cities that do have that specialty. I have a \$500.00 deductible for out of network services. After that has been met, the plan will pay 80% of what it considers to be reasonable and customary charges. It is my understanding that what they consider reasonable is usually about 50% of the charge. I have also had to change my physician whom I have seen over the last twenty six years while I have been a faculty member at the University of Wisconsin-River Falls. Quite frankly, I have absolutely no idea how I am going to be able to afford the charges if I should get sick again.

Finally, I believe that the regional representation on the Group Insurance Board is necessary in order to insure that what has happened never happens again. When we made objections last fall, we were told by officials at ETF, that "you people up there" have no idea of the problem that we have to handle. Those words indicated to me a casual

indifference to our situation. It is ironic as well given that my impression was that they were unaware of the closeness of River Falls to Minnesota and its unique relationship to it, and to the problems that those of us in that area of the state have to deal with. Both ETF and the Group Insurance Board have not been good stewards in terms of providing us with affordable quality health insurance at a reasonable price.

As I looked through the Dual Choice Booklet provided us during the enrolment period, I was struck with the multiple choices of tier 1 coverage available to Dane County residents and those in the Greater Milwaukee area. River Falls is located directly adjacent to a larger metropolitan area and has access to one tier 1 plan. That plan not including Minnesota providers at the time we needed to make decisions.

I have heard that recently, Humana West has added Health Partners with over 1000 physicians into its Premier One Network. Many of those physicians are in Minnesota.

The Faculty Senate of UWRF presented ETF and the GIB a copy of a petition that we had presented to Governor Doyle, calling for an affordable high quality health care plan. Most of the faculty and staff (425 signers) at UWRF had signed it. We never received a response from either ETF or the GIB.

I want to conclude my comments by noting that in my twenty-six years as a faculty member at the University of Wisconsin-River Falls, I have never seen anything compare with the negative effects on faculty morale as the recent actions of the GIB and the ETF have had.

Senator Ehrpenbach ~~Lasse~~ and members of the Committee on Health, Human Services, Insurance, and Job Creation, I thank you for your time and consideration.



Faculty Senate • http://www.uwrf.edu/faculty_senate/welcome.html

Senators: Chair - David Rainville, Vice Chair - David Furniss, Secretary - Kris Hiney, Executive Committee - Glen Potts, Ogden Rogers

**PETITION FOR AN EQUITABLE, REASONABLE, AND AFFORDABLE
QUALITY HEALTH CARE PLAN FOR ALL FACULTY AND STAFF AT
THE UNIVERSITY OF WISCONSIN-RIVER FALLS.**

Whereas, most UWRF faculty and staff did not learn details of major changes in the 2008 Health Care Plans until Wednesday, October 17, 2007; and

Whereas, prior to the meeting, many received incomplete and inconsistent information; and

Whereas, the ETF appears to have committed to health plans without knowing the complete list of their network providers; and

Whereas, UWRF faculty and staff have received pay packages which have lagged behind the Consumer Price Index for 10 of the last 10 years by on average 1% per year plus compounding; and

Whereas, UWRF is having more and more difficulty attracting and keeping quality faculty and staff; and

Whereas, the Tier 1 Health Care Plan does not meet the needs of this campus: the provider network includes few if any Minnesota-based providers, despite the fact that many UWRF faculty and staff live in Minnesota and most specialists who practice within a reasonable distance of River Falls are in Minnesota; and

Whereas, the Tier 2 Health Care Plan is no better than Tier 1 in terms of access to clinics, hospitals and specialist networks, offers extremely limited access to Minnesota-based providers and will cost 2.5 times as much as the Tier 1 plan; and

Whereas, the Tier 3 Health Care Plan will cost UWRF employees residing in Wisconsin approximately \$4,296.00 per year in annual premiums along with (assuming out of network providers) a \$4000.00 annual co-insurance (based on UAC) for the family plan, \$2,000 prescription drug maximum, and offers no routine vision or dental coverage; and

Whereas, our geographic location places us in the federally demarcated Greater Twin Cities Metropolitan Region, which has a higher cost of living than many other areas served by UW System institutions; and

Whereas, the University needs a fair and good quality health care plan with an affordable price that would enable UWRF employees access to the excellent network of healthcare providers in the Twin Cities area (25 to 35 miles from UWRF); therefore,

Be it resolved that the Faculty and Staff with the endorsement of the Faculty Senate are requesting the following actions:

1. The usual and customary timelines should be suspended and a new AFFORDABLE, QUALITY Tier 1 and an AFFORDABLE, QUALITY Tier 2 plan that includes Minnesota providers be made available for calendar year 2008.
2. a representative from western Wisconsin be named to the ETF board

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A. John Voelker
Director of State Courts

Testimony
of
A. John Voelker
Director of State Courts

Senate Bill 336
Membership of the Group Insurance Board

Senate Committee on Health, Human Services, Insurance and Job Creation
Senator Jon Erpenbach, Chair
February 20, 2008

Chairman Erpenbach and members of the Committee, my name is John Voelker, the Director of State Courts.

I am speaking in support of SB 336, which would expand the membership of the Group Insurance Board and require one member from each of Wisconsin's congressional districts. As a statewide employer with elected officials and staff working in every Wisconsin county, I am well aware of the challenges of incorporating local and regional issues at a statewide level. SB 336 successfully addresses regional and statewide employee benefit concerns and provides assurances to our judges and employees that regional health insurance issues are given ample opportunity to be properly represented and addressed, clearly communicated, and thoroughly analyzed for both regional and statewide impact before decisions are made and contracts with provider networks are finalized.

As some of you may be aware, this past fall during the Dual Choice enrollment period, state employees located in northwestern Wisconsin faced an untenable situation when making choices about their health care insurance coverage for 2008. Their primary provider network was significantly changed, resulting in a reduction in the number of health care providers available under the new insurance contracts entered into by the Group Insurance Board. We are grateful to Senator Sheila Harsdorf and Representative Kitty Rhoades for their leadership last fall in

acknowledging the adverse impact these contract changes had on state employees and their families and for providing a forum in which constructive problem resolution could begin. We also appreciate the Department of Employee Trust Funds efforts to address the concerns raised by our employees. In fact, ETF notified us last week that they were successful in expanding the provider network available to these employees in northwestern Wisconsin for 2008.

However, we believe that broader geographical representation on the Group Insurance Board will help avoid such problems and miscommunication in the future. Expanding the geographical representation on the Group Insurance Board is a powerful next step in providing the Board with better insight and regional perspectives on the health care options and issues facing employees in all parts of the State.

The Wisconsin Court System strongly urges the passage of SB 336.

I would be happy to answer any questions. Thank you.